

# **A G E N D A**

## **UTAH BOARD OF WATER RESOURCES**

Department of Natural Resources  
1594 W. North Temple  
Salt Lake City, Utah

April 20, 2007

**1:00 p.m.**

- I. CALL TO ORDER
- II. APPROVAL OF MINUTES - March 7, 2007
- III. CHAIR'S REPORT
- IV. WATER SUPPLY REPORT
- V. FEASIBILITY REPORTS
  - E208 South Weber Irr. Co. County  
Weber
- VI. COMMITTAL OF FUNDS
  - E209 Weber-Box Elder Cons. Dist. Weber
- VII. SPECIAL ITEMS
  - D708 Draper Irr. Co. (WR Release) Salt Lake
  - E121 Parowan City Iron
    - (Feas. Rpt. & Comm. of Funds)
  - E224 City of South Jordan Salt Lake
    - (Credit Enhancement)
  - E139 Downs Ditch Water Co. (Withdrawal) Weber
  - E140 Co-op Farm Irr. Co. (Withdrawal) Weber
  - E141 Anderson, Felt, Winters Ditch Co. Weber
    - (Withdrawal)
  - E142 Felt, Peterson, Slate Ditch Co. Weber
    - (Withdrawal)
  - E144 Emmertsen Irr. Co. (Withdrawal) Weber
  - E146 Huntsville Irr. Co. (Withdrawal) Weber
  - D730 Mosby Irr. Co. (Additional Funds) Uintah
- VIII. LAKE POWELL PIPELINE PROJECT - Project Update and Actions
- XII. DIRECTOR'S REPORT
- XIII. ELECTION OF OFFICERS
- IX. ADJOURNMENT

**BRIEFING MEETING AGENDA**  
**UTAH BOARD OF WATER RESOURCES**

Division of Water Resources  
1594 W. North Temple  
Salt Lake City, Utah

April 20, 2007

10:00 a.m.

- |      |                        |                  |
|------|------------------------|------------------|
| I.   | WELCOME/CHAIR'S REPORT | Chairman Hancock |
| II.  | DISCUSSION OF PROJECTS | Board/Staff      |
| III. | OTHER ITEMS            |                  |

# BOARD OF WATER RESOURCES

## Revolving Construction Fund

### Funding Status

April 20, 2007

Funds Available for Projects This FY \$ 10,341,000

#### Projects Contracted This FY

1 Lincoln Culinary Water Corp	E165			\$	332,000
2 San Juan WCD (Recapture Dam)(Amend)	C026	Grant	**		200,000
3 Spanish Fork South Irr Co	E193				29,500
4 Dry Gulch Irr Co	E176				221,000
5 Deseret Irr Co (Amend, Phase 5)	E101				168,000
6 Kents Lake Irr Co (Three Creeks Dam)(Amend)	C033	Grant	**		3,319,000
7 Kents Lake Irr Co (Three Creeks Dam)(Amend)	C033	Loan	**		186,000
8 Enterprise Res & Cnl Co (Lower Ent Dam)	C012	Loan	**		20,000
9 Fountain Green Irr Co (Well)	E185				221,000
10 Fremont Irr Co	E194				282,500
11 DMAD Company (DMAD Dam)(Amend)	C031	Grant	**		874,000

Total Funds Contracted	\$	5,853,000
Funds Balance	\$	4,488,000

#### Projects with Funds Committed

1 Utland Ditch Co	E182			\$	270,000
* 2 Mosby Irr Co (Amend)	D730				4,360,000
3 Sevier Valley Cnl Co	E197				195,500
4 Newcastle Water Co	E202				459,000
5 Circleville Irr Co	E166				115,000
6 Otter Creek Res Co	E184				190,000
7 Marble Creek Irr Co	E214				19,000
8 Providence-Logan Irr Co	E191				193,000
9 Loss Creek Irr Co	E167				172,000

Total Funds Committed	\$	5,974,000
Funds Balance	\$	(1,486,000)

#### Projects Authorized

1 Deseret Irr Co	E056			\$	144,000
2 Hi-Country Estates Homeowners Assn	E127				406,000
3 North Creek Irr Co	E181				288,000
4 Rocky Ford Irr Co	E213				87,300
5 Old Meadow Ranchos C&W Co	E210				68,000
6 Hanksville Irr Co	E219				400,000

Total Funds Authorized	\$	1,393,000
Remaining Funds Available	\$	(2,879,000)

\* To be presented at Board Meeting

\*\* Dam Safety Projects

**BOARD OF WATER RESOURCES**

**Cities Water Loan Fund**

**Funding Status  
April 20, 2007**

Funds Available for Projects This FY	\$	5,080,000
--------------------------------------	----	-----------

**Bonds Closed This FY**

1 Town of Mantua	L553	\$	140,000
2 Corinne City	L555		<u>326,000</u>

Total Bonds Closed	\$	<u>466,000</u>
Funds Balance	\$	4,614,000

**Projects with Funds Committed**

1 Kamas City	L550	\$	1,879,000
2 Centerfield Town	L547		255,000
* 3 Weber-Box Elder Cons Dist	E209		<u>1,615,000</u>

Total Funds Committed	\$	<u>3,749,000</u>
Funds Balance	\$	865,000

**Projects Authorized**

1 Deweyville, Town of	L557	\$	<u>1,346,400</u>
-----------------------	------	----	------------------

Total Funds Authorized	\$	<u>1,346,000</u>
Remaining Funds Available	\$	(481,000)

\* To be presented at Board Meeting

**BOARD OF WATER RESOURCES**

**Conservation & Development Fund**

**Funding Status  
April 20, 2007**

Funds Available for Projects This FY \$ 30,783,000

**Projects Contracted/Bonds Closed This FY**

1 Hooper Irr Co (Amend 5; Phase 2)	E060	\$ 145,000
2 Ashley Valley Res Co	E145	2,400,000
3 City of North Salt Lake (Bond Ins)	E206	30,000
4 Emigration Imp Dist	E196	2,860,000
5 Davis & Weber Counties Cnl Co (Amend, Ph 5)	E123	2,125,000
6 Cub River Irr Co	E173	1,280,000
7 St George & Washington Canal Co (Amend, Ph 3)	E129	1,950,000
8 Huntington-Cleveland Irr Co	E211	6,000,000
9 Wellsville Mendon Conservation Dist	E195	95,000
10 Salem City	E199	7,500,000
11 MWH Americas, Inc (Lake Powell Pipeline Studies)	T300	5,626,000

Total Funds Contracted/Closed	\$ 30,011,000
Funds Balance	\$ 772,000

**Projects with Funds Committed**

1 Lake Creek Irr Co (Ph 1)	E102	\$ 22,500
2 Pleasant Grove City (Bond Ins Grant)	E126	115,000
3 Ephraim Irr Co	E061	120,000
4 Huntsville South Bench Canal Co	E143	1,287,000
* 5 Parowan City (Bond Ins Grant)	E121	34,000
* 6 South Jordan City (Bond Ins Grant)	E224	45,000

Total Funds Committed	\$ 1,624,000
Funds Balance	\$ (852,000)

**Projects Authorized**

1 Strawberry High Line Canal Co	D976	\$ 3,187,000
2 Uintah WCD (Island Ditch)	E036	342,000
3 Richland Nonprofit Water Co	E087	335,000
4 Lake Creek Irr Co (Ph 2)	E102	300,000
5 New Escalante Irr Co	E077	300,000
6 Provo River Water Users Association	E177	60,000,000
7 Whiterocks Irr Co	E084	4,955,000
8 Magna Water Co an Improvement Dist	E190	7,100,000
9 Central Utah W C D	E205	60,000,000
* 10 South Weber Irr Co	E208	978,000

Total Funds Authorized	\$ 137,497,000
Remaining Funds Available	\$ (138,349,000)

\* To be presented at Board Meeting

# BOARD OF WATER RESOURCES

April 20, 2007

ADDITIONAL ACTIVE PROJECTS		Fund	Est. Board Cost	Total Cost
<b>Projects Under Investigation</b>				
1	Woodruff Irrigating Co	D680 C&D	\$ 600,000	\$ 800,000
2	Kane County WCD	D828 C&D	1,500,000	2,000,000
3	Keith Johnson	D996 RCF	37,500	50,000
4	Gunnison Butte Mutual Irr Co	E004 C&D	10,500,000	14,000,000
5	Hyrum Blacksmith Fork Irr Co	E047 C&D	1,230,000	1,640,000
6	Mayfield Irr Co	E067 RCF	187,500	250,000
7	East Juab County WCD	E071 C&D	375,000	500,000
8	Ferron Canal & Res Co	E082 C&D	2,625,000	3,500,000
9	Rock Dam Irr Co	E083 RCF	37,500	50,000
10	Town of Goshen	E109 C&D	240,000	320,000
11	Weber-Box Elder Conservation Dist	E113 C&D	9,750,000	13,000,000
12	Cottonwood Creek Consolidated Irr Co	E125 C&D	3,750,000	5,000,000
13	Alton Farmers Assoc	E128 C&D	1,650,000	2,200,000
14	Fremont Irr Co	E131 C&D	1,500,000	2,000,000
15	Grantsville Irr Co	E150 C&D	321,000	428,000
16	Vernon Irr Co	E158 RCF	37,500	50,000
17	Kingston Irr Water Co	E169 RCF	85,000	240,000
18	Greenwich Water Works Co	E171 RCF	112,500	250,000
19	Bullion Creek Irr Co	E172 RCF	75,000	100,000
20	Fountain Green Irr Co (Birch Creek)	E174 RCF	30,000	40,000
21	East Panguitch Irr Co	E175 RCF	375,000	500,000
22	Twin Creek Irr Co	E180 RCF	300,000	400,000
23	Fountain Green Irr Co (Flow Augment)	E186 RCF	75,000	100,000
24	San Juan WCD	E198 C&D	3,000,000	4,000,000
25	Midvale City	L556 C&D	7,125,000	9,500,000
26	Wallsburg Irr Co	E203 RCF	90,000	120,000
27	Grave Yard Irr Co	E204 RCF	16,400	41,000
28	Leota Irr Co, Inc	E207 C&D	2,800,000	3,500,000
29	Ouray Park Irr Co	E212 C&D	2,100,000	2,470,000
30	Corinne City	E216 C&D	80,000	100,000
31	Elk Ridge City	L558 C&D	1,900,000	2,600,000
32	West Field Irr Co	E217 RCF	68,000	85,000
33	Saratoga Springs City	E218 C&D	4,500,000	6,000,000
*	34 Garfield County School Dist	E220 C&D	525,000	700,000
*	35 Glenwood Irr Co	E221 RCF	120,000	160,000
*	36 South Cove Culinary Water Co	E222 RCF	52,500	70,000
*	37 Brooklyn Canal Co	E223 C&D	3,450,000	4,600,000
Subtotal			\$ 61,220,400	\$ 81,364,000

\* New Application

## BOARD OF WATER RESOURCES

April 20, 2007

### Additional Authorized or Committed Projects

1 Davis & Weber Counties Cnl Co (Ph 4)	D674	C&D	\$ 9,496,000	\$ 10,084,575
2 Weber Basin WCD (Secondary Irr, Ph 3-5)	E029	C&D	28,369,000	33,375,000
3 Davis & Weber Counties Cnl Co(Cnl Rehab)	E035	C&D	11,588,000	13,561,180
4 Hooper Irr Co (Press Irr, Ph 4)	E060	C&D	11,033,000	12,980,000
Subtotal			\$ 60,486,000	\$ 70,000,755
TOTAL ADDITIONAL PROJECTS			\$ 121,706,400	\$ 151,364,755

### INACTIVE PROJECTS

---

#### Long Term Large Water Conservation Projects

1 Sanpete WCD (Narrows Dam)	D377
2 Wayne County WCD	D494
3 Cedar City Valley Water Users	D584
4 Bear River WCD	D738
5 Central Utah WCD (Prepay FY98,99,00)	D960

BOARD OF WATER RESOURCES

Feasibility Report

Conservation and Development Fund

Appl. No.: **E-208**  
Received: 9/7/06  
Approved: 10/27/06

To be Presented at the April 20, 2007 Board Meeting

SPONSOR: ***SOUTH WEBER IRRIGATION CORPORATION***

Director: Louise Cooper

LOCATION: The proposed project is located within South Weber City limits in Davis County.

EXISTING CONDITIONS & PROBLEMS: South Weber Irrigation Corporation supplies secondary irrigation water to 29 shareholders irrigating 378 acres of farmland. The service area is in the northwest part of South Weber City, between I-84 and Hill Air Force Base.

Water is diverted from the Weber River, at the mouth of Weber Canyon, to a canal approximately 5.5 miles long, and travels about 2.5 miles before reaching the sponsor's service area. The canal functions well, but poses a safety hazard as it winds through residential subdivisions. Additionally, it has to be maintained for weeds and residential trash.

The canal is mostly unlined; however, there is concrete lining in some locations. Based on the engineer's estimate, 30% or more of the water is lost to seepage.

South Weber City requires all residences to use secondary water for outdoor watering. When the project is completed, about 100 existing residences will be required to connect to the system and buy shares from existing shareholders who have excess. Approximately 300 additional residential lots will be developed in the sponsor's service area in the near future. Secondary irrigation lines have already been installed for 100 of these lots.



PROPOSED  
PROJECT:

The sponsor is requesting financial assistance from the board to install a secondary irrigation system throughout its boundaries. The project will include nearly six miles of 10 to 20-inch HDPE pipe and 125 total connections. Fifteen of the connections are agricultural.

The project fits in Prioritization Category 2 (municipal project required to meet existing or impending need).

COST ESTIMATE:

The following cost estimate is based on the engineer's preliminary design and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	Mobilization	LS	\$40,000	\$ 40,000
2.	Inlet/Sediment Structure	LS	80,000	80,000
3.	HDPE Pipe			
a.	20-inch	6,300 LF	25	157,500
b.	16-inch	10,500 LF	20	210,000
c.	14-inch	4,800 LF	19	91,200
d.	12-inch	4,800 LF	18	86,400
e.	10-inch	3,960	15	59,400
4.	Appurtenances	LS	74,000	74,000
5.	Residential Connections	110 EA	400	44,000
6.	Agricultural Connections	15 EA	3,500	52,500
7.	Drain Structure	LS	5,000	5,000
Construction Cost				\$ 900,000
Contingencies				90,000
Legal and Administrative				25,000
Design and Construction Engineering				<u>135,000</u>
TOTAL				\$1,150,000

COST SHARING  
& REPAYMENT:

The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 978,000	85%
Sponsor	<u>172,000</u>	<u>15</u>
TOTAL	\$1,150,000	100%

If the board authorizes the project, it is suggested it be purchased at 2.5% interest over 28 years with payments starting at approximately \$26,000 and increasing 5% to a final payment of about \$95,000.

ECONOMIC  
FEASIBILITY:

In order to calculate project benefits it is necessary to identify and estimate the cost of the next best alternative project that can be expected to deliver the same service to the sponsor as will the proposed project. The best alternative is to deliver culinary water to the service area through the city's present and future treated water system. This can be accomplished by connecting to Weber Basin Water Conservancy District's treated water pipeline located just over three miles away, and purchasing culinary water for outdoor use (\$285/acre-foot). The cost to construct the pipeline, needed storage, and related facilities is \$1,193,000, according to the sponsor's consulting engineer. When all costs are discounted to present value over 50 years at 5.67 percent, the project's b/c ratio is 2.86.

FINANCIAL  
FEASIBILITY:

Based on the board's water service affordability guideline, area residents could pay about \$72.24 monthly for water. The estimated cost of all water with the proposed project, based on 125 connections, is as follows:

	<u>Annual Cost</u>	<u>Cost/Conn/Mo</u>
Average Culinary Bill	\$ 71,000	\$47.33
Secondary O&M	5,000	3.33
Secondary Assessment	6,000	4.00
Proposed BWRe Loan	<u>26,000</u>	<u>17.33</u>
TOTAL	\$108,000	\$71.99

Connection fees will initially be \$1,500/connection and will increase to \$2,000/connection. Assessments will be based on the size of the lot.

BENEFITS:

Piping the canal water will conserve an estimated 500 acre-feet annually. It will also remove the safety hazard of an open canal and will reduce maintenance costs.

PROJECT  
SPONSOR:

The South Weber Irrigation Corporation was first incorporated in 1921, then reincorporated in 1995. It is currently in "good standing" with the state

Department of Commerce. The company serves about 37 shareholders irrigating 378 acres (390 shares). The share assessment last year was \$10.00. The sponsor has not received financial assistance from the board in the past.

**WATER RIGHTS  
& SUPPLY:**

The sponsor has the following water rights on the Weber River:

<u>WRNUM</u>	<u>Flow (cfs)</u>
35-8015	9.45
35-8045	0.37
35-8049	0.57
35-8055	0.63
TOTAL	11.02
Echo Reservoir Storage	180 acre-feet

**EASEMENTS:**

The pipeline will primarily be in existing rights-of-way. A few shareholders have made agreements to provide easements through their properties. An easement needs to be obtained from one property owner.

**ENVIRONMENTAL:**

The only environmental disruption likely to occur will be along the existing canal banks.

**WATER  
CONSERVATION:**

The sponsor will be required to prepare a water management plan and obtain approval of it from the Division of Water Resources.

Piping the canal and ditches will conserve an estimated 500 acre-feet annually.

**SPONSOR'S  
RESPONSIBILITIES:**

If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.

2. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:

- a. Assign properties and easements required for the project to the Board of Water Resources.
    - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the board.
  3. Have an attorney give the Board of Water Resources a written legal opinion that:
    - a. The company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.
    - b. The company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.
    - c. The company has obtained all permits required for the project.
  4. Have an attorney give the Board of Water Resources a written legal opinion that:
    - a. The company owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the board.
    - b. The company's water rights applicable to the project are unencumbered and legally transferable to the Board of Water Resources, and that they cover the land to be irrigated by the project.
- In lieu of an attorney's opinion, the company may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, land, and water rights necessary for the project.
5. Obtain approval of final plans and specifications from the Division of Water Resources and Division of Drinking Water.
  6. Prepare a water management and conservation plan, and obtain approval of it from the Division of Water Resources.

7. Adopt a rule prohibiting its users from irrigating residential landscapes between the hours of 10:00 a.m. and 6:00 p.m.

8. Obtain an IRS Employer Identification Number.

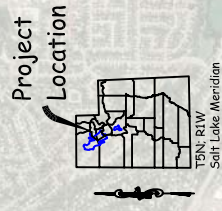
PROJECT  
CONTACT  
PEOPLE:

Director/Secretary: Louise Cooper  
6525 South 475 East  
South Weber, UT 84405  
Phone: (801) 479-1635

Engineer: Brian Andrew  
Franson Civil Engineers  
1276 South 820 East, Ste 100  
American Fork, UT 84003  
Phone: (801) 756-0309

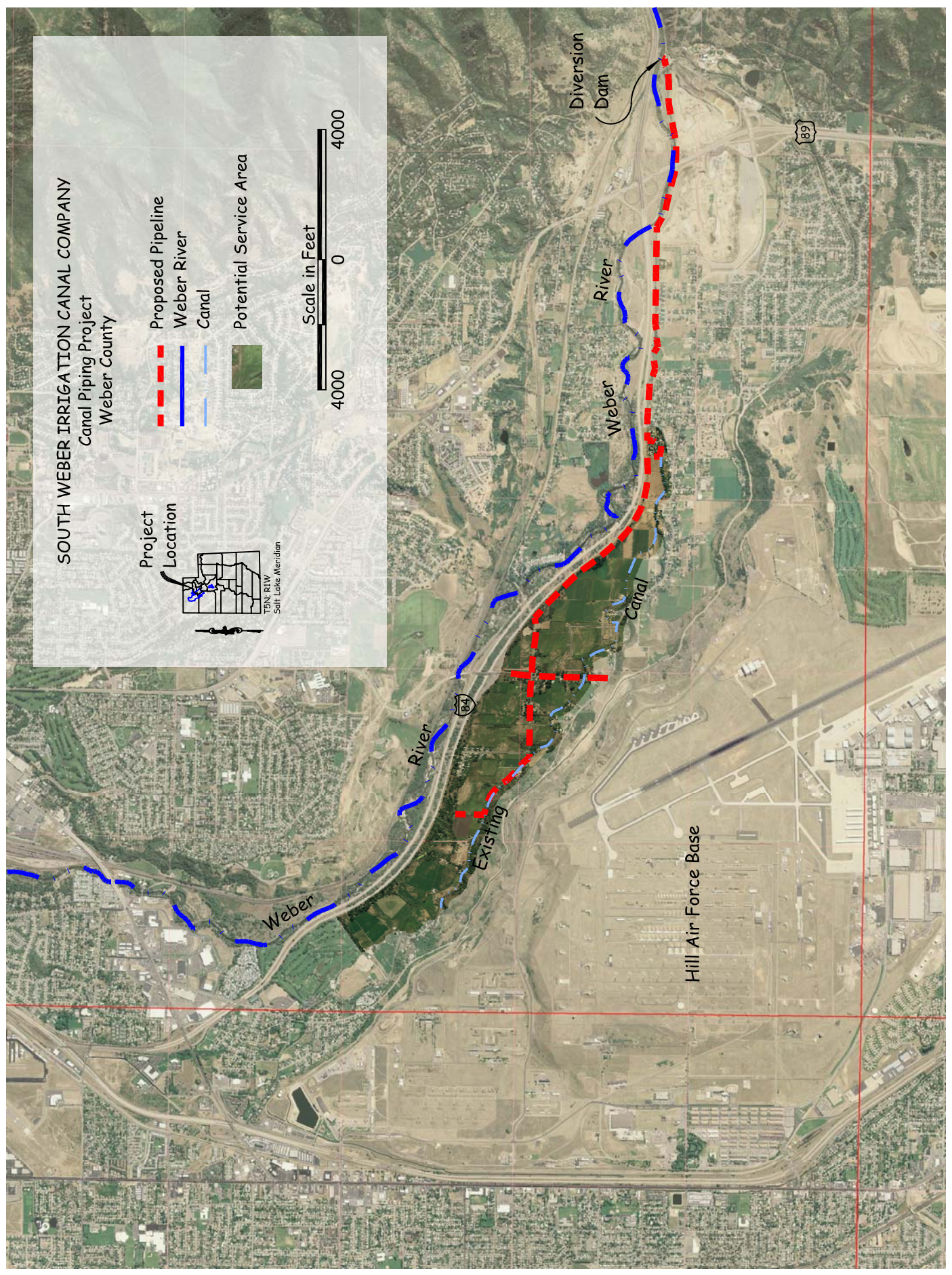


SOUTH WEBER IRRIGATION CANAL COMPANY  
Canal Piping Project  
Weber County



- Proposed Pipeline
- Weber River
- Canal

Potential Service Area





BOARD OF WATER RESOURCES

Committal of Funds

Cities Water Loan Fund

Appl. No.: **E-209**  
Received: 9/20/07  
Approved: 10/27/07  
Authorized: 12/8/06

To be Presented at the April 20, 2007 Board Meeting

SPONSOR: **WEBER-BOX ELDER CONSERVANCY DISTRICT**

Chairman: James N. Randall  
471 West 2<sup>nd</sup> Street  
Ogden, UT 84406  
Phone: (801) 621-6555

LOCATION: The proposed project is located in Pleasant View,  
about six miles north of Ogden in Weber County.

PROJECT SUMMARY: In December 2006 the board authorized a project to  
construct a regulating pond and pump station on the  
sponsor's existing secondary irrigation system,  
serving the Pleasant View, North Ogden, and  
Harrisville area. The project also includes about  
420 feet of 18-inch piping to connect the pump  
station to the system, and about 250 feet of  
reinforced concrete pipe to replace a section of the  
North Ogden Canal.

Bids were opened on Tuesday, April 7, and came in  
higher than expected, therefore, the sponsor is  
requesting an additional \$355,000 from the board.

COST ESTIMATE & SHARING: The authorized and proposed cost estimate and sharing  
are shown:

	Authorized		Proposed	
<u>Agency</u>	<u>Cost Share</u>	<u>%</u>	<u>Cost Share</u>	<u>%</u>
Water Res.	\$1,615,000	85%	\$1,970,000	85%
Sponsor	285,000	15	345,000	15
TOTAL	\$1,900,000	100%	\$2,315,000	100%

PURCHASE  
AGREEMENT:

The board authorized loan terms of 4% interest over 10 years with payments beginning at approximately \$204,900 and increasing to about \$253,800. If the board commits funds to the project, it is proposed the bonded indebtedness of \$1,970,000 be returned at 4% interest over 13 years with payments beginning at approximately \$204,900 and increasing to about \$266,000 the twelfth year with the balance of about \$38,000 to be paid the final year (includes reserves).



BOARD OF WATER RESOURCES

Special Item

Request for Release of Water Right

Appl. No.: **D-708**  
Approved: 6/23/89  
Authorized: 12/1/89  
Committed: 5/7/93

To be Presented at the April 20, 2007 Board Meeting

SPONSOR: ***DRAPER IRRIGATION COMPANY***

Development Manager: David Gardner  
12421 South 800 East  
Draper, UT 84020  
Phone: (801) 571-2232

Attorney: Daniel A. Jensen  
Parr Waddoups Brown Gee & Loveless  
185 South State Street, Suite 1300  
Salt Lake City, UT 84111-1537  
Phone: (801) 532-7840

LOCATION: The project is located within Draper City.

SUMMARY: In 1993 the Board of Water Resources entered into an agreement with the sponsor for construction of a secondary irrigation system for Draper City and a sprinkle irrigation system for farmland. The board provided \$6,875,000 for the project and took title to about 21,500 acre-feet of water rights. The sponsor was to repay the funds over 30 years at 5% interest with an escalating repayment schedule. This year's payment of \$460,000 has been paid and the remaining balance is \$5,786,784.

In 1999 the sponsor had an opportunity to exchange some of its Utah Lake water rights (owned by the board) for Jordan River rights owned by a third party, each party obtaining water rights closer to the point of use. The board approved the release of part of Water Right No. 54-1044 (a23069), and received in return part of Water Right No. 57-10181

(a23175) from John D. Jacob, which rights were 50% larger. This exchange was completed in 2000, and a similar exchange between the same parties was approved in 2001.

The board approved a third exchange in 2003 between the sponsor and WW Ranches, LC. In this exchange the water received by the sponsor was used for ongoing residential development and the board did not take title to any new water. A summary of the exchanges with the amounts involved is shown in the following table:

<u>Exchange</u> <u>(Date)</u>	<u>BWRe</u> <u>Released</u> <u>to DIC</u>	<u>DIC Conveyed</u> <u>to BWRe as</u> <u>New</u> <u>Collateral</u>	<u>Net Increase</u> <u>or</u> <u>(Decrease)</u> <u>in BWRe</u> <u>Collateral</u>
1 (2-14-00)	1643.23 AF No. 54- 1044 (a23069)	2464.85 AF No. 57-10181 (a23175)	821.62 AF
2 (8-8-01)	1239.52 AF No. 54- 1044 (a23069)	1859.28 AF No. 57-10269 (a25101)	619.76 AF
3 (12-15-03)	981.12 AF No. 57- 10191	0	(981.12 AF)
4 (this request)	910.0 AF No. 54- 1193 (a31097) Net Decrease	0	<u>(910.0 AF)</u>  (449.74 AF)

SPONSOR'S  
REQUEST:

Draper Irrigation Company is requesting the board release 910 acre-feet in a fourth exchange, similar to the last exchange. The sponsor will transfer 731.18 acre-feet to WW Ranches, LC and keep 178.82 acre-feet for use in acquiring additional groundwater rights for culinary purposes. WW Ranches, LC would convey to the sponsor 251.1 acre-feet of groundwater rights suitable for culinary use, plus 913 shares of

outstanding Draper Irrigation Company stock. The board will not receive any new water rights in this transaction, and will have a net loss from the four exchanges of 450 acre-feet over what it originally held. The board will still hold about 21,000 acre-feet, which is more valuable now than originally. The sponsor further justifies this action because its debt to the board has been reduced by about \$1,000,000, requiring less collateral.

STAFF  
COMMENTS:

The primary concern over this transaction is the board's statutory requirement to hold title to water used in the system it helped construct. However, because the water to be released will be converted to culinary use and not flow through the secondary system, the board's statutory responsibility will not be violated.

BOARD OF WATER RESOURCES

Special Item

Application Summary, Feasibility Report and Committal of Funds

Conservation and Development Fund

Appl. No.: **E-121**

Received: 11/6/03

Approved: 12/12/03

To be Presented at the April 20, 2007 Board Meeting

SPONSOR: ***PAROWAN CITY***

Mayor: Jim Robinson  
P.O. Box 576  
5 South Main Street  
Parowan, UT 84761

LOCATION: The project is located in Parowan, 15 miles north of Cedar City in Iron County.

SUMMARY: Parowan City recently completed a comprehensive water model update that identifies capital projects needed by the city's water system. The city is experiencing significant growth and needs additional water supply and delivery capacity to meet the growing demand. Its current water supplies and transmission ability have resulted in pressure problems and low fire flows.

The city is planning a \$2,000,000 project that will include a new well and redevelopment of three springs. In addition, significant upgrades to its transmission and distribution system will include 9,100 feet of 12-inch pipe and 23,300 feet of 8-inch pipe.

REQUEST: Staff recommends the board provide a grant of \$34,000 to purchase bond insurance. This will reduce the interest rate about 0.20% (4.80% effective interest rate) and save the city approximately \$52,000 in interest payments over the bond's repayment period.

ECONOMIC FEASIBILITY: The benefit/cost ratio has been calculated to be 1.61.

BOARD OF WATER RESOURCES

Special Item

Application Summary, Feasibility Report, and Committal of Funds

Conservation and Development Fund

Appl. No.: **E-224**

Received: 4/9/07

To be Presented at the April 20, 2007 Board Meeting

SPONSOR: **CITY OF SOUTH JORDAN**

Mayor: Kent Money  
1600 W. Towne Center Drive  
South Jordan, UT 84095  
Phone: (801) 254-3742

LOCATION: The project is located in South Jordan in Salt Lake County.

SUMMARY: The City of South Jordan is making improvements throughout its water system to enable it to handle rapid population growth and meet Division of Drinking Water standards. Increased flows within the system have caused low pressures and the inability to provide fire flows in some areas. The sponsor's sole source of drinking water is Jordan Valley Water Conservancy District. The city has a secondary water system that serves about 1/3 of its customers.

The city plans to make phased improvements over the next several years. It has already completed five storage reservoirs to help improve pressure and fire flow. Future projects include replacing or adding more than seven miles of pipe, replacing or adding pressure reducing stations, and other components as needed. The cost of the next phase is estimated at \$6.1 million. The sponsor will bond on the market to finance the project.

REQUEST: The city is requesting the board provide a grant of \$45,000 to purchase bond insurance. This will reduce the interest rate about 0.08% and save the city

approximately \$127,000 in interest payments over the bond's repayment period.

ECONOMIC  
FEASIBILITY:

The benefit/cost ratio is assumed to be 1.0.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Revolving Construction Fund

Appl. No.: **E-139**  
Received: 4/28/04  
Approved: 7/9/04

To be Presented at the April 20, 2007 Board Meeting

SPONSOR: ***DOWNNS DITCH WATER COMPANY***

Vice-President: William Poulter  
424 South 9500 East  
Huntsville, UT 84317  
Phone: (801) 745-3576

LOCATION: The proposed project is located east and south of  
Huntsville in Weber County.

PROJECT SUMMARY: In the spring of 2004 the sponsor, along with six  
other irrigation and ditch companies in the  
Huntsville area, submitted a funding application to  
the board in hopes of installing an area-wide  
pressure irrigation system. After completion of a  
preliminary system layout and cost estimate by the  
NRCS, several companies lost interest. Only the  
Huntsville South Bench Canal Company has decided to  
proceed.

It is therefore recommended the funding application  
be withdrawn from further consideration by the board.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Revolving Construction Fund

Appl. No.: **E-140**  
Received: 4/28/04  
Approved: 7/9/04

To be Presented at the April 20, 2007 Board Meeting

SPONSOR: **CO-OP FARM IRRIGATION COMPANY**

President: Ed Rich  
798 South 9900 East  
Huntsville, UT 84317  
Phone: (801) 745-2215

LOCATION: The proposed project is located east and south of Huntsville in Weber County.

PROJECT SUMMARY: In the spring of 2004 the sponsor, along with six other irrigation and ditch companies in the Huntsville area, submitted a funding application to the board in hopes of installing an area-wide pressure irrigation system. After completion of a preliminary system layout and cost estimate by the NRCS, several companies lost interest. Only the Huntsville South Bench Canal Company has decided to proceed.

It is therefore recommended the funding application be withdrawn from further consideration by the board.



BOARD OF WATER RESOURCES

Special Item

Withdrawal

Revolving Construction Fund

Appl. No.: **E-141**  
Received: 4/28/04  
Approved: 7/9/04

To be Presented at the April 20, 2007 Board Meeting

SPONSOR: **ANDERSON, FELT, WINTERS DITCH COMPANY**

President: Clark Wangsgard  
7505 East 600 South  
Huntsville, UT 84317  
Phone: (801) 745-2818

LOCATION: The proposed project is located east and south of Huntsville in Weber County.

PROJECT SUMMARY: In the spring of 2004 the sponsor, along with six other irrigation and ditch companies in the Huntsville area, submitted a funding application to the board in hopes of installing an area-wide pressure irrigation system. After completion of a preliminary system layout and cost estimate by the NRCS, several companies lost interest. Only the Huntsville South Bench Canal Company has decided to proceed.

It is therefore recommended the funding application be withdrawn from further consideration by the board.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Revolving Construction Fund

Appl. No.: **E-142**  
Received: 4/28/04  
Approved: 7/9/04

To be Presented at the April 20, 2007 Board Meeting

SPONSOR: **FELT, PETERSEN, SLATER DITCH COMPANY**

Secretary: Lyle Allen  
1069 South 8700 East  
Huntsville, UT 84317  
Phone: (801) 745-6636

LOCATION: The proposed project is located east and south of Huntsville in Weber County.

PROJECT SUMMARY: In the spring of 2004 the sponsor, along with six other irrigation and ditch companies in the Huntsville area, submitted a funding application to the board in hopes of installing an area-wide pressure irrigation system. After completion of a preliminary system layout and cost estimate by the NRCS, several companies lost interest. Only the Huntsville South Bench Canal Company has decided to proceed.

It is therefore recommended the funding application be withdrawn from further consideration by the board.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Revolving Construction Fund

Appl. No.: **E-144**  
Received: 5/10/04  
Approved: 7/9/04

To be Presented at the April 20, 2007 Board Meeting

SPONSOR: ***EMMERTSEN IRRIGATION COMPANY***

President: David King  
9282 East 500 South  
Huntsville, UT 84317  
Phone: (801) 745-3038

LOCATION: The proposed project is located east and south of Huntsville in Weber County.

PROJECT SUMMARY: In the spring of 2004 the sponsor, along with six other irrigation and ditch companies in the Huntsville area, submitted a funding application to the board in hopes of installing an area-wide pressure irrigation system. After completion of a preliminary system layout and cost estimate by the NRCS, several companies lost interest. Only the Huntsville South Bench Canal Company has decided to proceed.

It is therefore recommended the funding application be withdrawn from further consideration by the board.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Revolving Construction Fund

Appl. No.: **E-146**  
Received: 5/24/04  
Approved: 7/9/04

To be Presented at the April 20, 2007 Board Meeting

SPONSOR: **HUNTSVILLE IRRIGATION COMPANY**

President: J. Moyer Grow  
9004 East 100 South  
Huntsville, UT 84317  
Phone: (801) 745-3451

LOCATION: The proposed project is located east and south of Huntsville in Weber County.

PROJECT SUMMARY: In the spring of 2004 the sponsor, along with six other irrigation and ditch companies in the Huntsville area, submitted a funding application to the board in hopes of installing an area-wide pressure irrigation system. After completion of a preliminary system layout and cost estimate by the NRCS, several companies lost interest. Only the Huntsville South Bench Canal Company has decided to proceed.

It is therefore recommended the funding application be withdrawn from further consideration by the board.

BOARD OF WATER RESOURCES

Special Item

Contract Amendment - Additional Funds

Revolving Construction Fund

Appl. No.: **D-730**  
Received: 2/20/90  
Approved: 3/1/90  
Authorized: 3/13/97  
Reauthorized: 1/30/04  
Committed: 3/11/04  
Recommitted: 3/8/06

To be Presented at the April 20, 2007 Board Meeting

SPONSOR: **MOSBY IRRIGATION COMPANY**

President: Brian O. Murray  
P.O. Box 72  
Lapoint, UT 84039  
Phone: (435) 247-2519

LOCATION: The project is located about two miles northeast of Lapoint in Uintah County.

SUMMARY: In January 2004 Mosby Irrigation Company requested financial assistance from the board for construction of Red Wash Reservoir, and also requested it be allowed to perform the construction using its own forces. The cost estimate prepared by the sponsor and its engineer was for \$3,600,000, with the board's cost share at \$2,800,000. The board reauthorized that amount and allowed the sponsor to perform the project construction. Funds were committed in March 2004.

The sponsor was not able to mobilize until July 2004, which delayed the project. Excavation of the dam footprint was greater and grouting took longer than anticipated, and the work was not completed as quickly as the sponsor estimated. Grouting costs were \$510,000 over the original cost estimate. Equipment, fuel, and labor costs more than doubled. The sponsor came back to the board for a committal of

additional funds on March 8, 2006. At that time it was estimated the total project cost would be \$8,000,000. The board recommitted an additional \$3,600,000, with the total \$6,400,000 to be extended at 80% cost sharing, returned over 60 years at 0% interest with annual payments beginning at \$40,000 and increasing to \$170,000. Along with the standard conditions the board required the sponsor to submit a construction audit and bid out the remainder of the project. Because of delays in meeting these requirements an amendment to the agreement has not yet been signed.

This past January the sponsor submitted a financial audit of the company for 2004 and 2005, which covers the construction period to date. It has also produced a list of project expenses. On March 20, 2007 it bid the project, with the low bid coming in at \$4,190,600. Adding the cost of this bid plus additional engineering, contingency, and project costs not yet paid, the total project cost is now \$8,950,000. The sponsor requests additional funds from the board to help pay for the remainder of the project.

COST SHARING: Staff recommends the cost sharing remain as committed in March, 2006, as follows:

<u>Agency</u>	<u>Contracted Cost Sharing</u>	<u>% of Total</u>	<u>Recommended Cost Sharing</u>	<u>% of Total</u>
BWRe	\$2,800,000	77.8%	\$7,160,000	80.0%
Uintah WCD	150,000	4.2	150,000	1.7
CUWCD Grant	130,000	3.6	130,000	1.5
Sponsor	520,000	14.4	1,510,000	16.9
TOTAL	\$3,600,000	100%	\$8,950,000	100%

PURCHASE AGREEMENT: If the board commits funds to the project, it is suggested the agreement be amended to provide an additional \$4,360,000 and state that the sponsor will return the \$7,160,000 over 60 years at 0% interest with annual payments beginning at \$50,000 and increasing to approximately \$190,000.

SPONSOR'S RESPONSIBILITIES: If the board commits the additional funding, the sponsor must do the following before project funds can be released:

1. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and

Bylaws) majority of company stock authorizing its officers to enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the board.

2. Have an attorney give the Board of Water Resources a written legal opinion that the company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.

3. Obtain approval from the Division of Water Rights of the plans for the sponsor's proposed reconstruction of the inlet canal and associated embankments.

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-220***

Received: 3/7/07

SPONSOR: ***GARFIELD COUNTY SCHOOL DISTRICT***

Superintendent: Dr. George Park  
145 East Center Street  
Panguitch, Utah 84759  
Phone: (435) 676-8821

LOCATION: The proposed project is located about one mile east of Escalante in Garfield County.

PROPOSED PROJECT: The sponsor is requesting assistance to drill and equip a well and tie it into a sprinkler system irrigating 12.5 acres of grass and athletic fields surrounding Escalante schools.

WATER RIGHTS: This is Flaming Gorge water right 97-2280, a31049, granted by the board, which will be used in the sprinkler system. Proof of beneficial use must be completed by December 31, 2008.

COST ESTIMATE: \$700,000



BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-221**

Received: 3/7/07

SPONSOR: **GLENWOOD IRRIGATION COMPANY**

President: Jeffrey Anderson  
P.O. Box 300507  
Glenwood, UT 84730  
Phone: (435) 896-4692

LOCATION: The proposed project is located in and around the community of Glenwood, approximately ten miles east of Richfield in Sevier County.

PROPOSED PROJECT: The sponsor is requesting assistance to install pipeline and valving to correct pressure problems in its pressurized irrigation system.

WATER RIGHTS: 63-2115, 3156, 3157, 3171, 2421, 2515, a14141

COST ESTIMATE: \$160,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-222**

Received: 3/27/07

SPONSOR: ***SOUTH COVE CULINARY WATER SYSTEM***

President: Randy Larsen  
1290 East 12600 North  
Cove, UT 84320  
Phone: (435) 258-2976

LOCATION: The proposed project is located in Cove, about 15 miles north of Logan in Cache County.

PROPOSED PROJECT: The sponsor is requesting assistance to drill, equip, and tie in a well.

WATER RIGHTS: 25-10223, a25523

COST ESTIMATE: \$70,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-223**

Received: 4/4/07

SPONSOR: **BROOKLYN CANAL COMPANY, INC.**

President: Dick Cumiskey  
270 East 2200 North  
Monroe, UT 84754  
Phone: (435) 527-4448

LOCATION: The proposed project is located about two miles south  
of Elsinore in Sevier County.

PROPOSED PROJECT: The sponsor is requesting assistance to replace its  
canals and ditches with pressurized irrigation  
pipeline.

WATER RIGHTS: 63-3003

COST ESTIMATE: \$4,600,000